

**INSURANCE REGULATORY TRUST FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2007**

	December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	FYTD	FY07	Ended	Ended
									Net	Net	6/30/2007	6/30/2007
											Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<b>Structured Growth</b>												
Los Angeles Capital	50,243	2.2%	2.3%	-1.50%	48,139	2.3%	2.3%	0.38%	-1.12%	21.84%	13.35%	N/A
<b>Total Structured Growth</b>	<b>50,243</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-1.50%</b>	<b>48,139</b>	<b>2.3%</b>	<b>2.3%</b>	<b>0.38%</b>	<b>-1.12%</b>	<b>21.84%</b>	<b>13.35%</b>	<b>10.94%</b>
Russell 1000 Growth				-0.77%				4.21%	3.41%	19.04%	8.70%	9.28%
<b>Structured Value</b>												
<b>LSV</b>	<b>49,150</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-5.53%</b>	<b>46,931</b>	<b>2.3%</b>	<b>2.3%</b>	<b>-0.89%</b>	<b>-6.37%</b>	<b>23.77%</b>	<b>19.00%</b>	<b>16.55%</b>
Russell 1000 Value				-5.80%				-0.24%	-6.03%	21.87%	15.93%	13.31%
<b>Russell 1000 Enhanced Index</b>												
<b>LA Capital</b>	<b>99,938</b>	<b>4.4%</b>	<b>4.5%</b>	<b>-1.07%</b>	<b>95,834</b>	<b>4.6%</b>	<b>4.5%</b>	<b>0.24%</b>	<b>-0.83%</b>	<b>21.27%</b>	<b>13.46%</b>	<b>N/A</b>
Russell 1000				-3.23%				1.98%	-1.31%	20.43%	12.34%	
<b>S&amp;P 500 Enhanced Index</b>												
<b>Westridge</b>	<b>112,006</b>	<b>4.9%</b>	<b>4.5%</b>	<b>-3.04%</b>	<b>106,209</b>	<b>5.1%</b>	<b>4.5%</b>	<b>2.18%</b>	<b>-0.93%</b>	<b>21.12%</b>	<b>11.98%</b>	<b>N/A</b>
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	
<b>Index</b>												
State Street	30,403			-6.37%	29,102			-0.80%	-7.11%	21.82%	12.34%	11.08%
<b>Total 130/30</b>	<b>30,403</b>	<b>1.3%</b>	<b>1.5%</b>	<b>-6.37%</b>	<b>29,102</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-0.80%</b>	<b>-7.11%</b>	<b>21.82%</b>	<b>12.34%</b>	<b>11.08%</b>
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>341,739</b>	<b>15.0%</b>	<b>15.0%</b>	<b>-2.89%</b>	<b>326,214</b>	<b>15.6%</b>	<b>15.0%</b>	<b>0.62%</b>	<b>-2.29%</b>	<b>21.86%</b>	<b>13.76%</b>	<b>12.22%</b>
S&P 500				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<b>Manager-of-Managers</b>												
<b>SEI</b>	<b>58,013</b>	<b>2.5%</b>	<b>2.5%</b>	<b>-6.35%</b>	<b>53,668</b>	<b>2.6%</b>	<b>2.5%</b>	<b>-3.66%</b>	<b>-9.78%</b>	<b>18.39%</b>	<b>13.70%</b>	<b>14.37%</b>
Russell 2000 + 200bp				-4.09%				-2.60%	-6.59%	18.76%	15.72%	16.16%
<b>Enhanced</b>												
<b>Research Affiliates</b>	<b>54,982</b>	<b>2.4%</b>	<b>2.5%</b>	<b>-7.00%</b>	<b>51,170</b>	<b>2.5%</b>	<b>2.5%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000				-4.58%				-3.09%	-7.53%			
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>112,995</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-6.67%</b>	<b>104,839</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-4.98%</b>	<b>-11.32%</b>	<b>18.39%</b>	<b>13.70%</b>	<b>14.37%</b>
Russell 2000				-4.58%				-3.09%	-7.53%	16.44%	13.45%	13.88%
<b>INTERNATIONAL EQUITY</b>												
<b>Large Cap - Active</b>												
Capital Guardian	91,703	4.0%	4.0%	-1.23%	86,331	4.1%	4.0%	0.61%	-0.63%	25.99%	21.19%	14.89%
LSV	88,172	3.9%	4.0%	-6.39%	87,639	4.2%	4.0%	-3.37%	-9.54%	31.24%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>179,874</b>	<b>7.9%</b>	<b>8.0%</b>	<b>-3.80%</b>	<b>173,970</b>	<b>8.3%</b>	<b>8.0%</b>	<b>-1.43%</b>	<b>-5.18%</b>	<b>28.57%</b>	<b>22.95%</b>	<b>18.43%</b>
MSCI EAFE - 50% Hedged				-2.19%				0.11%	-2.08%	26.94%	22.55%	15.71%
<b>Small Cap - Value</b>												
DFA	21,804	1.0%	1.0%	N/A	0	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lazard	-	0.0%	0.0%	N/A	21,290	1.0%	1.0%	-3.92%	N/A	21.03%	20.93%	N/A
<b>Total Small Cap Value</b>	<b>21,804</b>	<b>1.0%</b>	<b>1.0%</b>		<b>21,290</b>	<b>1.0%</b>	<b>1.0%</b>	<b>-3.92%</b>	<b>-4.54%</b>	<b>21.03%</b>	<b>20.93%</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				-5.94%				-0.66%	-6.55%	28.58%	26.34%	
<b>Small Cap - Growth</b>												
<b>Vanguard</b>	<b>22,319</b>	<b>1.0%</b>	<b>1.0%</b>	<b>-4.84%</b>	<b>20,835</b>	<b>1.0%</b>	<b>1.0%</b>	<b>-1.48%</b>	<b>-6.25%</b>	<b>31.00%</b>	<b>28.08%</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				-5.94%				-0.66%	-6.55%	28.58%	26.34%	
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>223,998</b>	<b>9.8%</b>	<b>10.0%</b>	<b>-3.97%</b>	<b>216,095</b>	<b>10.4%</b>	<b>10.0%</b>	<b>-1.70%</b>	<b>-5.60%</b>	<b>28.02%</b>	<b>23.43%</b>	<b>17.15%</b>
MSCI EAFE - 50% Hedged				-2.19%				0.11%	-2.08%	26.94%	22.55%	15.71%
<b>DOMESTIC FIXED INCOME</b>												
<b>Core Bond</b>												
<b>Western Asset</b>	<b>240,282</b>	<b>10.5%</b>	<b>10.9%</b>	<b>1.63%</b>	<b>218,226</b>	<b>10.5%</b>	<b>10.9%</b>	<b>1.87%</b>	<b>3.53%</b>	<b>7.29%</b>	<b>4.44%</b>	<b>5.64%</b>
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%	3.98%	4.48%
<b>Mortgage Backed</b>												
<b>Hyperion</b>	<b>64,273</b>	<b>2.8%</b>	<b>2.8%</b>	<b>-1.00%</b>	<b>59,396</b>	<b>2.8%</b>	<b>2.8%</b>	<b>-1.78%</b>	<b>-2.76%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Lehman Global Aggregate (US Securitized Portion)				3.15%				3.88%	7.15%			
<b>Core Plus/Enhanced</b>												
Clifton Group	70,046	3.1%	2.8%	3.99%	61,614	3.0%	2.8%	4.41%	8.58%	5.52%	N/A	N/A
Prudential	67,160	2.9%	2.8%	2.45%	59,978	2.9%	2.8%	1.95%	4.45%	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>137,207</b>	<b>6.0%</b>	<b>5.6%</b>	<b>3.23%</b>	<b>121,592</b>	<b>5.8%</b>	<b>5.6%</b>	<b>3.18%</b>	<b>6.52%</b>	<b>5.95%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%		
<b>Index</b>												
<b>Bank of ND</b>	<b>120,200</b>	<b>5.3%</b>	<b>4.9%</b>	<b>3.04%</b>	<b>108,630</b>	<b>5.2%</b>	<b>4.9%</b>	<b>3.09%</b>	<b>6.23%</b>	<b>5.45%</b>	<b>2.92%</b>	<b>4.32%</b>
Lehman Gov/Credit (1)				3.10%				3.01%	6.20%	6.00%	3.04%	4.35%
<b>BBB Average Quality</b>												
<b>Wells Capital (formerly Strong)</b>	<b>238,209</b>	<b>10.4%</b>	<b>10.9%</b>	<b>1.98%</b>	<b>215,331</b>	<b>10.3%</b>	<b>10.9%</b>	<b>1.48%</b>	<b>3.49%</b>	<b>7.93%</b>	<b>4.86%</b>	<b>6.59%</b>
Lehman US Credit BAA				1.90%				1.67%	3.60%	7.54%	4.47%	6.59%
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>800,171</b>	<b>35.1%</b>	<b>35.0%</b>	<b>2.00%</b>	<b>723,175</b>	<b>34.7%</b>	<b>35.0%</b>	<b>1.84%</b>	<b>3.88%</b>	<b>7.11%</b>	<b>3.89%</b>	<b>5.04%</b>
Lehman Aggregate (2)				3.00%				2.84%	5.93%	6.12%	4.13%	4.87%
<b>CASH EQUIVALENTS</b>												
<b>Bank of ND</b>	<b>802,691</b>	<b>35.2%</b>	<b>35.0%</b>	<b>0.96%</b>	<b>714,620</b>	<b>34.3%</b>	<b>35.0%</b>	<b>1.24%</b>	<b>2.21%</b>	<b>5.36%</b>	<b>4.10%</b>	<b>3.00%</b>
90 Day T-Bill				1.05%				1.34%	2.40%	5.21%	3.78%	2.76%
<b>TOTAL INSURANCE REGULATORY TRUST</b>	<b>2,281,594</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.10%</b>	<b>2,084,943</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.97%</b>	<b>0.87%</b>	<b>11.10%</b>	<b>7.39%</b>	<b>7.70%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>0.48%</b>				<b>1.65%</b>	<b>2.14%</b>	<b>10.39%</b>	<b>7.14%</b>	<b>6.76%</b>

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.